

**Amendments to the Abstract:**

**Please replace the previous Abstract with the following redlined Abstract:**

A method and apparatus for ~~controlling~~control bit rates used in a moving pictures encoder, such as an MPEG standard encoder. A sequence of moving pictures is divided into segments each of which comprises one or more ~~group~~groups of pictures. A constant overall bit rate is specified for the sequence of pictures, but variable bit rate encoding is used within each segment. A difference between the number of bits allocated for encoding the segment and the actual bits used for encoding is determined, and the difference is distributed over one or more subsequent segments.